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Summary record of the 27th meeting
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Chair: Mr. Bhattarai ..... (Nepal)
Chair of the Advisory Committee on Administrative and Budgetary Questions: Mr. Ruiz Massieu

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The meeting was called to order at 10.05 a.m.

Agenda item 134: Programme budget for the biennium 2016-2017 (*continued*)

Estimates in respect of special political missions, good offices and other political initiatives authorized by the General Assembly and/or the Security Council (*continued*)

Thematic cluster II: sanctions monitoring teams, groups and panels (*continued*)

Analytical Support and Sanctions Monitoring Team pursuant to resolutions 1526 (2004) and 2253 (2015) concerning ISIL (Da'esh), Al-Qaida and the Taliban and associated individuals and entities
(A/70/7/Add.44 and A/70/348/Add.9)

Implementation of Security Council resolution 2231 (2015)
(A/70/7/Add.44 and A/70/348/Add.9)

1. **Mr. Huisman** (Director, Programme Planning and Budget Division), introducing the report of the Secretary-General on the proposed additional resources under thematic cluster II for the Analytical Support and Sanctions Monitoring Team pursuant to Security Council resolutions 1526 (2004) and 2253 (2015) concerning Islamic State in Iraq and the Levant (ISIL) (Da'esh), Al-Qaida and the Taliban and associated individuals and entities, and on the proposed additional resources for the implementation of Security Council resolution 2231 (2015) on the Iranian nuclear issue (A/70/348/Add.9), said that, by its resolution 2253 (2015), the Security Council had expanded the mandate of the Al-Qaida Sanctions Committee, in particular with regard to ISIL (Da'esh).

2. In that resolution, the Security Council had called for up to two new experts on the Monitoring Team, along with the additional support resources needed to increase its capacity to analyse ISIL's financing, radicalization and recruitment, and attack planning activities, as well as support the resulting increased activities of the Al-Qaida Sanctions Committee. The Security Council had also directed the Secretariat, with the assistance of the Monitoring Team, to build and maintain the enhanced data model approved by the Al-Qaida Sanctions Committee, with a view to its completion by June 2017. The proposed additional requirements would amount to $1,968,300.

3. By its resolution 2231 (2015), the Security Council had endorsed the Joint Comprehensive Plan of Action on the Iranian nuclear issue. In that resolution, the Security Council had requested the Secretary-General to take the necessary measures to facilitate communications with Member States and between the Council and the Joint Commission established pursuant to the resolution. The Secretary-General had also been requested, by the same resolution and by a note by the President of the Security Council dated 16 January 2016 (S/2016/44), to report to the Council every six months on its implementation. The proposed additional requirements would amount to $1,342,900. Pursuant to paragraph 7 (a) of the resolution and the receipt by the Security Council of a report from the International Atomic Energy Agency, the resolutions establishing and extending the Panel of Experts on the Islamic Republic of Iran had been terminated, effective 16 January 2016. Consequently, an unspent balance of $2.3 million was projected following the termination of the Panel.

4. The total proposed additional resources for the two offices presented in the report of the Secretary-General amounted to $3,311,200. However, with the proposed utilization of the unspent balance following the termination of the mandate of the Panel of Experts on the Islamic Republic of Iran, the net charge to be made against the provisions for special political missions under section 3, Political affairs, of the programme budget for the biennium 2016-2017 would amount to $993,600.

5. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/70/7/Add.44), said that overall the Advisory Committee recommended that the General Assembly should approve the Secretary-General's proposals in respect of Security Council resolutions 2253 (2015) and 2231 (2015). However, with regard to the requirements for the Analytical Support and Sanctions Monitoring Team, the Advisory Committee was recommending against approval of one of the ten positions proposed, as the functions of the Administrative Assistant position in support of the Monitoring Team could be provided from within existing capacity.

6. The Advisory Committee had made a number of observations and recommendations regarding the resources for the design and development of the enhanced data model. Any new systems or applications must be fully aligned with the information and communications technology strategy of the United Nations and must be approved in compliance with all relevant internal procedures and standards. The model and related system should be designed so that the same system could be reused for all sanctions committees without duplication of effort, in the most cost-effective manner possible.

7. The Advisory Committee questioned the continued requirement for four positions for the maintenance and operation of the system after completion of the development and roll-out phases. It therefore recommended that the Secretary-General should be requested to keep the project under review, and to present in his next budget submission information on the different phases of the project, differentiating between the post and non-post resources required during each phase. Proposals for resource requirements should be adjusted as appropriate.

Agenda item 146: Financing of the International Residual Mechanism for Criminal Tribunals (*continued*) (A/70/698 and A/70/772)

8. **Mr. Boyd** (Director, Facilities and Commercial Services Division), introducing the fifth progress report of the Secretary-General on the construction of a new facility for the International Residual Mechanism for Criminal Tribunals, Arusha branch (A70/698), said that, pursuant to a request by the General Assembly to shorten the duration of the project — begun in January 2012 and originally planned for completion in the first quarter of 2017 — the Secretary-General had taken a number of measures to reduce the projected timeline to four years, a reduction of 15 months. All pre-construction activities had been completed and the construction stage begun in February 2015. It was now anticipated that construction would be completed in May 2016. Although the project had been subject to modest schedule delays, the project team had proactively managed the slippages and mitigated their impact in order to recover from the slower-than-expected progress.

9. The total approved budget for the project was $8.8 million, including the base cost of $7.74 million and a contingency provision of $1.05 million. The Secretariat estimated that the project would be completed within the approved budget. Of the approved contingency, approximately $315,000 had been spent on higher-than-expected architectural design services and construction costs, leaving a remaining contingency of $735,000.

10. The provision of adequate contingency funding was an essential prerequisite for the success of multi-year capital projects, and was in line with international best practice in mitigating procurement risks, unforeseen site conditions, and other issues that might arise during the course of projects. However, the Secretariat had made every effort to obviate the need to draw upon contingency funding. The team continued to employ value engineering as the construction neared completion, and unused contingency funding would be returned to Member States on conclusion of the project. Contingency funding would not be used for discretionary changes outside approved project scope or objectives.

11. To the extent that errors by consultants and contractors — a common occurrence in the industry — had led to additional costs to the Organization, every effort was being made to recover the costs on completion of the construction phase of the project.

12. The Office of Central Support Services was working closely with the Registrar of the Mechanism, as project owner, in sharing lessons learned from other capital projects undertaken by the Organization, and in providing technical guidance, advice and oversight; cooperation would continue until completion.

13. The General Assembly was requested to take note of progress made on the project during the reporting period.

14. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/70/772), reiterated the Advisory Committee's appreciation for the provision by the Government of the United Republic of Tanzania of access roads and the connection of water, electricity and Internet services to the new facility at no cost to the United Nations, and welcomed the continued cooperation between the United Nations and the Government.

15. The Advisory Committee noted with concern that the completion and occupancy of the facility had been

postponed a number of times, from the fourth quarter of 2015 to early 2016, and that the Secretariat now expected completion in May 2016, but that the project was subject to further potential delays.

16. The Advisory Committee noted that the further delays reported by the Secretary-General were attributable to two factors: a 38-day delay due to a topographical error by the architectural consultants, and a further delay due to quality control issues attributable to the construction contractor. The delays had direct and indirect costs and necessitated amendments to the architectural and construction contracts. The Secretary-General had not provided clear or consistent information on the costs arising from the errors made by the contractors, the obligations of the contractors for remedy and compensation, or the actions required of the Organization to pursue mitigation measures with the contractors, in particular in negotiations to amend the contracts.

17. The Advisory Committee recommended that the General Assembly should request the Secretary-General to make every effort to obtain full compensation from the contractors. As a matter of principle, compensation should be sought from contractors for costs resulting from errors or contractual non-compliance on their part rather than absorbing such costs within the project budget, drawing on the contingency provision or offsetting them through value engineering.

18. Concerning project contingency provisions, the Advisory Committee had requested clarification concerning the Secretariat's interpretation that contingency provisions were part of the approved project budget and were separated from the base project cost for presentation purposes only. The Advisory Committee was of the view that the requirement set out in General Assembly resolution 70/248, that estimated contingencies should be separated from base project cost for presentation purposes only, was consistent with the request of the Assembly in its resolution 69/276 that, in future, any cost overruns should first be met from compensatory reductions identified elsewhere through efficiencies in order to obviate the need for drawdown from contingency provisions. The Advisory Committee also pointed out that the Assembly had decided that all remaining unused contingency funds should be returned to Member States at the conclusion of projects.

19. Lastly, the Advisory Committee had discussed the higher-than-budgeted travel costs incurred and the utilization of furniture and equipment from the International Criminal Tribunal for Rwanda.

20. **Ms. Wairatpanij** (Thailand), speaking on behalf of the Group of 77 and China, said that the Group attached high priority to the construction of the new facility for the Mechanism in Arusha as necessary for it to implement its mandate, and acknowledged the continued commitment of the Government and people of the United Republic of Tanzania in supporting the work of the Mechanism and the construction project.

21. The Group welcomed the progress to date, including commencement of construction of the facilities constituting the major part of the project. The Group had taken note of the activities conducted over the reporting period, including procurement of goods and services, and implementation of value engineering and change orders.

22. The Group noted with appreciation the construction of access roads, connection of power supply, water utilities and Internet infrastructures by the host Government at no cost to the United Nations. The Mechanism should ensure that costs related to the support provided by the host Government were documented and shared among Members States.

23. The Group noted the delay in the project resulting from the topographical errors by the architectural firm, but expected the project to be completed within the revised schedule and the approved overall budget. The costs — direct and indirect — resulting from those errors should be met by the architect, in line with the contractual agreement, and not borne by the Organization. She requested information on the impact on rental arrangements as a result of the delay in occupancy.

24. The Group appreciated the governance and oversight activities conducted, in particular the first audit of planning and governance in the pre-construction phase by the Office of Internal Oversight Services (OIOS) and the fact that all the Office's recommendations had been closed. She looked forward to the upcoming audit of the construction phase. The Group noted the information on the risk register and regulatory framework.

25. Regarding lessons and best practices, the Group noted the cooperation with key stakeholders, including the host State, the preparation of a project manual, avoidance of changes of scope during construction, and the transparent communication between stakeholders and risk owners.

26. While the Group appreciated the application of value engineering and the savings achieved during project implementation, the value engineering exercise must not undermine the quality, durability and sustainability of the materials used, the original design of the project or the highest standards of safety, health and well-being of staff and visitors.

27. In connection with the re-use of furniture and equipment from the International Criminal Tribunal for Rwanda, the Group of 77 and China agreed with the Advisory Committee on the need for further clarity regarding the value of the assets and the savings achieved from the transfer.

28. **Mr. Kisoka** (United Republic of Tanzania), speaking on behalf of the Group of African States, expressed the Group's appreciation to the Government of the United Republic of Tanzania for its support for the project and the work of the Tribunal and Residual Mechanism. The Group also commended the Mechanism on its efforts in connection with the project and cost-saving initiatives, in particular through the use of videoconferencing instead of travel to New York.

29. The Group noted with appreciation the construction of access roads, and the provision of power, water and Internet connections by the host Government at no cost to the United Nations. The related costs should be documented for future reference.

30. With regard to the project schedule and funding, the Group noted with concern the delay in construction, with completion now estimated for May 2016, as a result of topographical errors by the architect. Every effort should be made to ensure completion within the new time frame and within budget. The delay would mean extension of the rental of the current premises; the Mechanism should ensure timely arrangements were in place to avoid disruption of its activities and of those of the Tribunal.

31. The Group took note of the oversight coverage by OIOS; the Office should continue its close monitoring and oversight of the project and advise managers as appropriate. The Group took note of the information on the risk register and regulatory framework. The Group would also pay close attention to issues related to value engineering, lessons learned and best practices, and transfer of furniture.

Agenda item 131: Financial reports and audited financial statements, and reports of the Board of Auditors (*continued*) (A/C.5/70/L.26)

Draft resolution A/C.5/70/L.26: Financial reports and audited financial statements, and reports of the Board of Auditors

32. *Draft resolution A/C.5/70/L.26 was adopted.*

Other matters

33. **Mr. Kisoka** (United Republic of Tanzania), speaking on behalf of the Group of African States, expressed the Group's very serious concern regarding the alarming practice of the Secretary-General in utilizing the Organization's resources to finance activities and programmes that were controversial and lacked any consensus among Member States, let alone the lack of any language supporting such activities in any internationally agreed document.

34. The printing, circulation and promotion of postage stamps by the United Nations for the "Free and Equal" campaign not only constituted a serious precedent but ran counter to the principles of the Organization, violated the culture, norms and beliefs of many Member States, and cast a shadow over correct adherence to proper procedure and the rules and regulations governing the utilization of the United Nations emblem and the Organization's resources.

35. The Group demanded the immediate cessation of the campaign, and requested the implementation of accountability measures and recovery of the funds used to finance the campaign, including the printing and circulation of the postage stamps. The Group also demanded that the Secretary-General should provide details of the funds utilized to finance the campaign and the rules and regulations governing the use of the United Nations logo as quickly as possible.

36. **Mr. Khalizov** (Russian Federation) supported the statement by the representative of the United Republic of Tanzania on behalf of the Group of African States regarding the actions of the Secretary-General, which

raised serious issues for many delegations. Consideration of the use of resources under the regular budget was the prerogative of the Fifth Committee. In that connection his delegation, too, wished to know what mandates provided the basis for the decision to take the actions referred to by the previous speaker.

37. His delegation stood ready, in the Fifth Committee, to participate in detailed consideration of the matter under the relevant agenda item.

The meeting rose at 10.45 a.m.